

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-107-WS - ORDER NO. 2006-338
JUNE 8, 2006

IN RE: Application of United Utility Companies, Inc.) ORDER ADOPTING
 for Adjustment of Rates and Charges and) CONSENT ORDER FOR
 Modification to Certain Terms and Conditions) COMPENSATION OF
 for the Provision of Water and Sewer Service.) EXPERT WITNESS

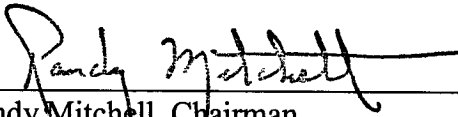
 This matter comes before the Public Service Commission of South Carolina (the Commission) on a request filed by the South Carolina Office of Regulatory Staff (ORS) for the issuance of an Order endorsing payment by United Utility Companies, Inc. (UUCI or the Company) of certain expert witness' compensation and expenses. We would note that the parties' attorneys have affixed their signatures to a Consent Order that resolves the issues regarding expert witness' compensation and expenses. We have examined said Consent Order, which is attached hereto as Order Exhibit 1, and we hereby adopt its provisions and incorporate them herein as fully as if repeated herein verbatim.

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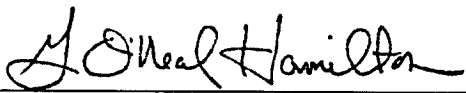
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-107-WS

May __, 2006

IN RE:

)
)
Application of United Utility
Companies, Inc. for Adjustment of Rates
)
and Charges and Modification to Certain
)
Terms and Conditions for the Provision
)
Of Water and Sewer Service)

CONSENT ORDER

This matter comes before the Commission on the agreement of the South Carolina Office of Regulatory Staff ("ORS") and United Utility Companies, Inc. ("UUCI") under the provisions of S.C. Code Ann. § 58-4-100 (Supp. 2004), which agreement is set forth immediately below.

At the request of ORS and with the consent of UUCI, the parties to this consent order and in connection with the above-captioned application have agreed as follows:

1. In connection with the above-captioned proceeding, the Executive Director of ORS has determined that in order to carry out ORS responsibilities it is necessary to contract with an expert witness to provide expertise, consultation, advice and, as needed, testimony on the general subject of the cost of equity capital for UUCI and other matters as needed. The fees of the expert will be an amount not to exceed \$7,500.00. Travel expenses of the expert will be an amount not to exceed \$830.00. ORS understands this amount does not exceed the compensation

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- generally paid by the regulated industry for such specialists, and UUCI does not object.
2. Under the provisions of S.C. Code Ann. § 58-4-100, “[t]o the extent necessary to carry out regulatory staff responsibilities, the executive director [of ORS] is authorized to employ expert witnesses and other professional expertise as the executive director may consider necessary to assist the regulatory staff in its participation in commission proceedings.”
 3. Section 58-4-100 also provides that the compensation and expenses for expert witnesses necessarily employed “be paid by the public utility or utilities participating in the proceedings upon order of the Commission or from the regulatory staff’s budget.”
 4. UUCI agrees to provide funding for the cost of an expert witness as described in ¶ 1 above. ORS agrees pursuant to S.C. Code Ann. §58-4-100 that if UUCI pays the compensation and expenses of an expert witness, “the compensation and expenses must be treated by the Commission, for ratemaking purposes, in a manner generally consistent with its treatment of similar expenditures incurred by utilities in the presentation of their cases before the Commission.”
 5. ORS agrees and acknowledges that UUCI’s consent to this order does not mean or imply that UUCI has agreed to the introduction of any testimony by any employed expert or the expertise of any such ORS witness. ORS is solely responsible for the selection and employment of any expert witness or

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professional expertise and any effort by ORS to introduce testimony from any such employed expert in the above case will be subject to ORS meeting all evidentiary rules generally applied by the Commission in proceedings before it. UUCI specifically reserves its rights to interpose any objection to any such witness and his/her testimony or exhibits as permitted or recognized by South Carolina law (common and statutory), rules of evidence, rules of civil procedure, rules, customs and practices of the Commission, and federal and state constitutions.

Now, therefore, based upon the agreement of ORS and UUCI and under the provisions of S.C. Code Ann. § 58-4-100,

IT IS HEREBY ORDERED that UUCI shall provide funding for the cost of an expert witness employed by ORS in connection with the above-captioned proceeding in an amount not to exceed \$7,500.00 for fees and in an amount not to exceed \$830.00 for travel expenses related to this matter.

BY ORDER OF THE COMMISSION.

Randy Mitchell, Chairman

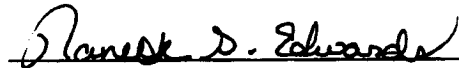
ATTEST:

G. O'Neal Hamilton, Vice Chairman
(SEAL)

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WE CONSENT:

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WE CONSENT:

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